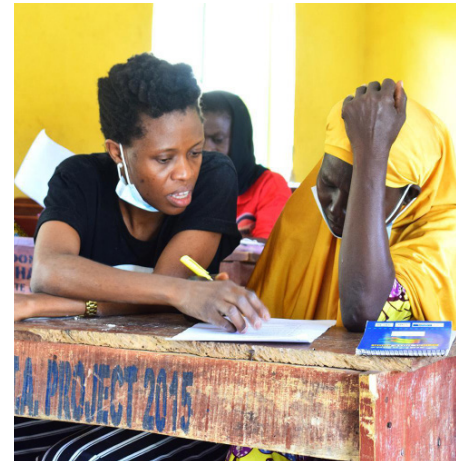


How GIZ is improving Financial Literacy within Nigeria's economic landscape

Challenge

39 million micro, small and medium-sized enterprises (MSMEs) form the backbone of Nigeria's economy. They provide for 96% of employment and 48% of the country's GDP. Yet, many of these enterprises remain constrained in their growth potential as they

lack the necessary funds to invest in their businesses. While bank credits remain the most important external financing source, several barriers limit MSMEs from accessing them.



Supply Sided Barriers

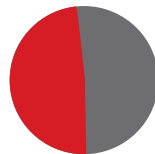
- Perceived low profitability and high risk of MSMEs.
- Lack of understanding of MSMEs.
- Lack of appropriate financial services for MSMEs.

Demand Sided Barriers

- Low levels of financial knowledge among MSMEs.
- Shortage of skilled financial literacy trainers.
- MSME's lack of collateral and credit history needed to access finance.



39 million MSMEs in Nigeria form the backbone of Nigeria's economy.



Percentage contribution of businesses to Nigeria's GDP

- MSMEs - 48% of Nigeria's GDP.
- Other Businesses - 52% of Nigeria's GDP.



Percentage contribution of businesses to employment in Nigeria

- MSMEs - 96% of employment in Nigeria.
- Other Businesses - 4% of employment in Nigeria.

Our approach

The Pro-Poor Growth and Promotion of Employment in Nigeria Programme - SEDIN developed a comprehensive financial literacy (FL) programme in 2016 to strengthen the knowledge and skills of MSMEs and the economically active population. Financial literacy describes "a combination of financial awareness, knowledge, skills, attitude and behaviours necessary to make sound financial decisions and ultimately achieve financial well-being" (OECD/INFE 2012). The programme developed a training package that is learner centered, in addition to educational materials for trainees and trainers. The materials were reviewed and updated in 2019 in close

coordination with the Central Bank of Nigeria (CBN) and members of the Financial Literacy Working Group (FLWG) to align its contents with national priorities. The review involved national and international experts and materials were tested with the target audience during focus group discussions. At the inception of the programme, the training was mostly physical with the engagement of key stakeholders and partners. However, in a drive to promote digitalization and financial inclusiveness, SEDIN digitized the FL curriculum in partnership with the CBN and the FLWG. This partnership led to the creation of a Financial Literacy eLearning

platform, SabiMONI, that will complement traditional classroom training to build the skills and capacity of trainers and financial intermediaries, which will be cascaded to the consumers across Nigeria. The SabiMONI platform fully developed and now domiciled with the CBN is scheduled to be launched soon. The FL curriculum is also on the digital platform, SMEsabi, developed by GIZ and FUTMINNA, which is a self-paced certification programme for entrepreneurs and anyone looking to improve their FL skills.



Projects



The National Peer Group Educator Programme (NAPGEP)

Financial literacy trainings have become a core element of the National Youth Service Corps (NYSC) activities. The NYSC involves Nigerian graduates in nation building and the development of the country. NAPGEP was introduced in 2017 to build financial competencies of youth and small businesses in rural areas through the Corps members. SEDIN has been supporting this initiative from the beginning and has advised NAPGEP on the development of a more integrated national strategy, which connects financial literacy training with the inclusion of unbanked and underbanked Nigerians into the financial system. In collaboration with the Federal Ministry of Youth and Sports and the Central Bank of Nigeria, over 12,000 Corp members have been trained and this has been stepped down to other youths.



50 Million African Women Speaks

The 50 Million African Women Speaks is a regional programme from the African Union implemented in Nigeria by the Federal Ministry of Women Affairs. The platform is intended to empower millions of women in



Improved financial literacy of over 10,808 women.

Africa to start, grow, and scale up businesses by providing a one-stop shop for their specific information needs, this includes improving the financial knowledge of women entrepreneurs. The Ministry with the support



Beneficiaries stepped down the financial literacy training to more than 10,450 women.

of GIZ, developed the curriculum and training materials that improved the financial literacy of over 10,000 women and these women have stepped down the training received to over 10,000 more women.



Modules

The Financial Literacy curriculum covers 14 topics listed below:

- Needs & Wants
- Managing your Money
- Financial Planning & Budgeting
- Savings
- Borrowing
- Investing
- Risk Management
- Sending money
- Financial Environment
- Frauds & Scams
- Consumer Protection
- Financial negotiations
- Managing Business Finances
- Paying Tax

Impact

Since the launch of the FL training, over 185,000 Nigerians have benefited from the training with women accounting for 48% of the beneficiaries. 40 partnership organizations have been onboarded and over 14,000 (51% female) trainers successfully trained. Some



Over 185,000 beneficiaries.



40 partnership organizations.



Women account for 48% of beneficiaries.

of the beneficiaries also include returning migrants with 69.6% female participation. The FL intervention is anchored on providing financial literacy skills and knowledge to the economically active population and MSMEs. Other key partners that has been

part of this impact include Shared Agent Network Expansion Facilities (SANEF) and the Plateau Micro, Small and Medium Enterprise Development Agency (PLASMIDA).



Testimonial



Onofelaga Winifred,
Member of 50 Million African Women
Speak Project, Beneficiary & Trainer.



My life has changed drastically since I took the training. It helped me manage my finances better and improved my savings. It inspired me to take the Train The Trainer course and since then, I have trained over 2,000 women. Their numerous success stories are what keep me going.



The Way Forward

With over 185,000 beneficiaries trained, the SEDIN financial literacy intervention has proven effective in teaching economically active Nigerians on how to manage their resources and make sound financial decisions. With the collaboration and support of the

stakeholders in the financial eco- system and the digitization of the FL modules, financial literacy materials have become an open source information that is easily accessible to the Nigerian populace. We believe the

availability of information on financial literacy will improve the financial decision making of the average Nigerian.

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